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MEMORANDUM FOR: Mr. Richard W. Brill
Deputy Assistant Director, Economics Bureau
Arms Control and Disarmament Agency
Department of State

SUBJECT: Projections of Soviet Expenditures for
Strategic Offense and Defense

1. The attached materials are forwarded in response to your request for our informal assessment of trends in Soviet military spending, with emphasis on strategic offensive and defensive systems. They are provided for background use in your briefings of the General Advisory Committee.

2. Trends in Soviet military spending over the next few years are examined under the following three assumptions: a) The USSR will not be faced with a requirement to further improve its strategic posture to take account of US deployment of ballistic missile defense; b) The US will deploy ABM defenses on a large scale, and the USSR will respond through improvements in its strategic programs; and c) There will be agreement between the US and USSR to freeze the levels of strategic weapons systems.

3. The first and third of the above listed alternatives are discussed in some detail in a memorandum prepared by this Office in early April on the impact of a strategic arms freeze on Soviet military spending. A copy of this material is forwarded as Tab A to this memorandum. Two illustrative graphics have also been prepared to supplement Tab A. These are forwarded as Tab B, attached. The remaining alternative, consisting of the expenditure implications for the USSR of a forced draft response to US ABM deployment, is discussed in Tab C. You understand, I am sure, that a number of the calculations are based on preliminary data and should not be represented as official views of the CIA.

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4. If you wish, either will be able to discuss these materials personally with you or your staff prior to Mr. Alexander's meeting with the General Advisory Committee.

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Senior Intelligence Officer
for Liaison
Arms Control and Disarmament

Attachments:
As stated

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